



Jim Gillespie presents

Commercial Real Estate

news and more

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A "GOOD NEWS" NEWSLETTER FULL OF FUN AND INTERESTING FACTS FOR YOU

AUGUST 2008

Hello!

This issue of *Commercial Real Estate News* is being sent to you courtesy of

Jim Gillespie

It is my way of saying that you're important and that I truly value your business. Please feel free to pass this newsletter on to friends and business associates.

Funny Bone

You Know You're Stuck in The 80's If...



1. You think the Two Coreys are "totally awesome."
2. You're still bitter that Wham! broke up.
3. You type all of your term papers on a Commodore 64.
4. The only video games you play are Frogger and Pac Man.
5. A-Ha's "Take on Me" is still your favorite video.
6. You know who Stinky Sullivan is.
7. You know who Loverboy is.
8. You want to be Molly Ringwald when you grow up.

How Will Rising Energy Prices Impact Commercial Real Estate?

When asked years ago what made him so much better than all of the other professional hockey players, the great Wayne Gretzky said, "A good hockey player plays where the puck is. A great hockey player plays where the puck is going to be." And with this in mind let's take a look at where the puck is going to be amid these rising energy prices and how they're going to impact commercial real estate.



As it looks right now, rising energy prices are going to be the norm for years to come. This is because the worldwide demand for energy is growing much faster than the supply of energy. And when demand exceeds supply, prices are going to rise. We may see times when prices remain stable or even go down a little, but from one year to the next it's almost certain that energy prices will continue rising.

To determine how this will impact commercial real estate, let's look at who will be most affected by these rising energy prices. People with lower incomes will be affected more because energy will take up a larger amount of their living expenses. And manufacturing companies, where energy represents a higher percentage of their overall expenses when compared to other businesses, will have a difficult time maintaining the same levels of profitability. In addition, people living in areas where they have long commutes to work by car to the larger cities will be feeling the impact more, too So how will all of this impact commercial real estate?

- 1) Office, industrial, retail, and apartment buildings both in and close to the more populated areas will produce better long-term returns than those buildings farther away from these areas. This is because the rising cost of energy will shift people's demand towards living both in and closer to the larger cities. While many people would prefer to still live in the suburbs, the economics of these rising energy prices combined with the long commutes will no longer make this feasible for everyone at all income levels.
- 2) With this increased demand by people to live in and closer to the larger cities, there will be a demand for more residential units to be built in these areas, and a demand for more communities where people live closer to both shopping and entertainment.
- 3) Manufacturing and warehousing businesses will need to locate where they can minimize their energy costs, and rail-served buildings will command a premium and will sell and lease faster than buildings with no rail access. This is because rising energy prices will make shipping by rail more economical than shipping by truck.

In putting all of this together, right now is a good time to ask yourself, "Knowing that most other real estate investors aren't even thinking about this right now, what moves can I make in my real estate investment strategy so that like the great Wayne Gretzky, I can play where the puck is going to be?"

Sometimes The Best Motivation Is Useful Advice

Good leaders can be counted on to do what's necessary under pressure—but exactly what they do can change from moment to moment.

In the 1968 National Basketball Association Eastern Division playoffs, Philadelphia took a commanding three-game lead over Boston in a best-of-seven series—one more win would eliminate Boston. During the next—and must-win—game, Boston fought back and had a two-point lead with seconds left. Bill Russell, Boston's star center, was fouled and went to the free-throw line to shoot two baskets. If he made just one, Boston would be far enough ahead to win the game even if Philadelphia scored again; but if he missed both, Philadelphia could tie the game with one basket. Russell, normally a cool competitor, missed his first shot—leaving his team only one more chance to lock up the game.

Then Sam Jones, a Boston guard and team leader, whispered a few words to Russell. Russell promptly sank his remaining free throw and won the game (Boston also went on to win the series). Afterward, reporters clamored to know what Jones had said to Russell. Was it an inspirational gem that motivated Russell to do his best in the face of adversity?

Hardly. Knowing that Russell shot free throws better when he remembered to relax his muscles, Jones simply said, "Flex your knees, Bill." As Russell puts it in his book, *Russell Rules* (New American Library), "It was about as inspirational as a car manual, but it was the only thing I needed to hear at that moment for us to win."

It's a great lesson for high-pressure situations: Effective leaders figure out what to say—and sometimes that means saying only what's absolutely necessary. The greatest inspiration may simply be quietly helping someone do his or her job better.

Stressed Out? Take These Steps

Our work lives are often filled with what can seem like unbearable amounts of stress. And while some of those stresses are unavoidable, there's a lot you can do to start to whittle those high levels of stress down to something that feels at least manageable. Here are a few suggestions:



- Know when to say no. That means you have to first understand your own limits. Then set limits on others so they don't encroach on your time by pressuring you to take on tasks or responsibilities that will throw you out of balance.
- If possible, avoid people who consistently stress you out. If your boss is the culprit, you might not be able to do this. And you can't steer clear of everyone who inadvertently or occasionally causes you anxiety. But you can avoid people who have a history of leaving you feeling stressed after you've tried to change the situation and they haven't responded.
- Don't expose yourself to unnecessary environmental stressors. For instance, if you read the news on the Internet during your break, but it leaves you feeling tense, stop reading the news on your break. Do something that relaxes you instead: Go for a short walk, knit, meditate, work a puzzle.
- Learn to manage your time. Letting projects go until the deadline is upon you will undoubtedly cause you stress. Work at a steady pace—and don't procrastinate. Procrastination ca

Are You Missing The Hidden Assets That Are All Around You?

You've been wanting one for years, and you finally buy it: that bright red Mini Cooper, the car that signals you're retro and hip and trying not to leave a large carbon footprint. But something funny happens after you slip behind the wheel. Suddenly you notice there are red Minis everywhere: at the supermarket, on the highway, there's even another one in your parking lot at work.



What happened? The truth is the Minis were there all along, but because you perceived them as rare, you simply didn't notice them. In the book *The Artist's Way at Work* (William Morrow and Co.), coauthor Mark Bryan insists that the world is full of hidden assets that our minds block us from seeing. Further, it's possible to train yourself to perceive the unexpected and recognize how often good things happen when you expect them to occur.

No Excuses: The Power Of Using What's On Hand

When Spanish artist Bartolomé Esteban Murillo was asked to create a series of paintings for a church in Seville, he formed a friendship with the monk who served as the cook in the refectory. The cook waited on Murillo hand and foot while the artist worked on the commission. When the artist's work was accomplished, the cook begged Murillo for a memento—a painting just for him.

Murillo said he'd be happy to create something for his friend, but he'd exhausted every scrap of his canvas already. He had nothing to paint on.

The cook told the artist, "Never mind, sir, just take this napkin," then offered him the linen the artist had just used at dinner. Without a second thought, Murillo took the napkin and converted it into a portrait of the Madonna and Child that glowed with life and color. The work—*Virgin of the Napkin*—is now thought to be one of the artist's most beautiful and resides in the Museum of Seville in Spain.



Making It Up As She Goes Along

As a child, Ve Neill loved to scare herself by watching an old movie about a severed, murderous hand. She also loved to use makeup to transform her friends into horrible, terrifying creatures. Neill's next-door neighbor was a makeup artist for some local television shows and used to help Neill with her Halloween costumes. She would declare passionately, "Oh, Mr. Lotito, I want to do what you do when I grow up." Mr. Lotito, though, had little hope for her. He knew that makeup was a "man's field" that women rarely had the opportunity to break in to.

Neill's first professional job was working for a strange band that dressed like aliens. She dyed and styled their hair, and created their makeup and costumes. Neill found that she was great at painting faces—and incredibly patient with detail. For inspiration she attended a sci-fi convention where she ran into the man responsible for the look of the original *Star Trek* series. He gave her the big break she'd been waiting for—a job on a major motion picture.

Neill went on to create some of the most memorable movie characters in recent film history: Michael Keaton as *Beetlejuice*, Johnny Depp as *Edward Scissorhands*, and Robin Williams as *Mrs. Doubtfire*. Over her 30+-year career, Neill has won numerous international awards for her work, three Academy awards, and was recently nominated again for the *Pirates of the Caribbean* series.

You might say she spent a lifetime preparing for her success. A "man's field," indeed.

Financially Speaking

The Great Rebate Rigmarole

Imagine this scenario: You go to the store to buy something—let's say a printer—and you find just the one you want. But then you see a great deal—a printer that's \$199 but offers a rebate of \$100, making your grand total just \$99! You go for it. And once you get home, you tell yourself you'll take care of the rebate in the morning. But you don't. You keep putting it off until eventually you realize that you've paid \$199 for a printer you didn't really want.

Forgoing a rebate is a common scenario that gets played out in a number of unintentional ways: not purchasing the item within the required time frame, waiting so long to mail in the rebate that the deadline expires, forgetting to include the bar code, making a mistake on the paperwork, failing to make a copy of the paperwork and proofs of purchase.

Lots of people regard rebates as a hassle—and they are—but they're designed that way. The reason that companies can afford to offer them is because most people never redeem them—and the companies want to make sure that the fewest number of people possible get their money back. That's why the requirements are so stringent—and often frustrating.

However, there are three things you can do to ensure that you get any rebate due to you:

1. Don't procrastinate. Fill out the forms and clip the bar codes as soon as you get home. Don't get immersed in the new product you've just purchased before you take care of business.
2. Look at your offer carefully—very carefully! Read all the small print. If you make a mistake at this stage of the process, the company can deny your eligibility for a rebate.
3. Make copies of everything before you drop the envelope in the mail. Whatever you're required to send to the company—box tops, receipts, bar codes, coupons, letter—make a copy of each item in case you're denied the rebate. With copies, you can appeal the company's decision.

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Why Paying Electronically Is Good For The Environment

Want to go green? Well, here's an easy way to be kind to the environment—receive and pay your bills electronically. According to the Federal Reserve, nearly 50 percent of the checks written in the United States are written by consumers to businesses. American businesses mail about 26 billion bills and statements per year, and consumers mail 9 billion payments per year in paper form. All that paper mailing consumes 755 million pounds of paper, 9 million trees, and 512 million gallons of gasoline.



From the desk of *Jim Gillespie*

This newsletter can be sent to your clients and prospects every month. We'll design a different newsletter for you every month showing your clients and prospects that it's coming directly from you, and we'll even mail the newsletter to all of your people for you, too! And you can even include your own personal message to your clients and prospects right here. Sending a monthly newsletter brands you in the minds of your clients and prospects and reminds them of doing business with you whenever they read it. And when people receive a printed newsletter from you every month, even when they don't have an immediate real estate requirement, it helps to solidify and build a stronger relationship with you in their minds, so they'll want to work with you on their next real estate transaction. There's just no way you can accomplish this by prospecting alone. We've designed the newsletter so that people will want to read it, and that's why we include articles from real estate, entertainment, business, and personal arenas in it. Just as you and I wouldn't want to read a monthly newsletter with only insurance articles in it, your people won't want to read a monthly newsletter with only real estate articles in it. To take your commercial broker marketing to a new level and brand yourself in the minds of your clients and prospects with this newsletter, visit CommercialBrokerNewsletter.com.

When A Co-Worker Needs An Ear

Has a coworker ever come to you steaming about something and eager to vent whatever indignity just happened, yet before she can get a complete sentence out, you say, "Calm down—relax"?



Then, did that same coworker flash you a dagger-filled look? Did you understand why?

When people are in the heat of reacting to a situation, they're not ready to shift gears into a different emotional state. They need to vent. And they need to be listened to.

So make your first response be "How do you feel about it?" rather than the perceived equivalent of "Pipe down." And then listen carefully to what your colleague says. You might learn something important. If nothing else, you'll be lending an ear when one is desperately needed.